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January 14, 2008

The Honorable David M. Walker
Comptroller General
United States Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Comptroller General Walker:

Businesses in the United States have been increasingly marketing carbon offset programs and related credit schemes. With sales expected to increase steeply in coming years, plus the mounting potential for government mandates that would intensify such activity, we are troubled by the potential lack of integrity in the offering of services and products that are difficult for their buyers even to observe, never mind possess. These seem to be essentially good-faith transactions in which all the burden is on the customer to sort out the honest promoters from the cheats.

To our knowledge, no proven safeguards against fraud and deception presently exist, making the carbon offset market a ripe target for hucksters. Just last week, Federal Trade Commission Chairman Deborah Platt Majoras observed that the intangible nature of what people are buying, coupled with the lack of verifiable assurances, raise much uncertainty about these programs – creating a “heightened potential for deception.”

It is critical that Congress have full information about the functioning and effectiveness of these programs, both for its consideration of energy and environmental policy, and so that it can minimize any risk to the public of deception, waste, and fraud. Carbon offsets provide a potentially valuable way for individuals to make direct, personal commitments to environmental quality, but without transparency and reliable evidence of honesty, they seem poised to betray their purchasers' good intentions.

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We don't want carbon offsets to become the 21st century version of snake oil and patent medicine. We request that the Government Accountability Office conduct a thorough inquiry into these matters as soon as possible.

If you have any questions, please have your staff contact Mr. Peter Spencer of the Minority Committee staff at (202) 225-3641.

Sincerely,



Joe Barton
Ranking Member
Committee on Energy and Commerce



John Shimkus
Ranking Member
Subcommittee on Oversight and Investigations

cc: The Honorable John Dingell, Chairman
Committee on Energy and Commerce

The Honorable Bart Stupak, Chairman
Subcommittee on Oversight and Investigations